

Internal Revenue Service, Treasury

§ 1.461-0

the trades or businesses that involve long-term contracts. An election applies to all long-term contracts completed during and after the taxable year for which the election is effective. An election may not be revoked without the Commissioner's consent. For taxpayers who elected to use the delayed reapplication method under paragraph (e) of this section, an election under this paragraph (j) automatically revokes the election to use the delayed reapplication method for contracts subject to section 460(b)(6). A consolidated group of corporations, as defined in § 1.1502-1(h), is subject to consistency rules analogous to those in paragraph (e)(2) of this section and in paragraph (d)(4)(ii)(C) of this section (concerning election to use simplified marginal impact method).

[T.D. 9315, 55 FR 41670, Oct. 15, 1990, as amended by T.D. 8775, 63 FR 36181, July 2, 1998]

§ 1.460-7 Exempt long-term contracts. [Reserved]

§ 1.460-8 Changes in method of accounting. [Reserved]

TAXABLE YEAR FOR WHICH DEDUCTIONS TAKEN

§ 1.461-0 Table of contents.

This section lists the captions that appear in the regulations under section 461 of the Internal Revenue Code.

§ 1.461-1 General rule for taxable year of deduction.

- (a) General rule.
 - (1) Taxpayer using cash receipts and disbursements method.
 - (2) Taxpayer using an accrual method.
 - (3) Effect in current taxable year of improperly accounting for a liability in a prior taxable year.
 - (4) Deductions attributable to certain foreign income.
- (b) Special rule in case of death.
- (c) Accrual of real property taxes.
 - (1) In general.
 - (2) Special rules.
 - (3) When election may be made.
 - (4) Binding effect of election.
 - (5) Apportionment of taxes on real property between seller and purchaser.
 - (6) Examples.
- (d) Limitation on acceleration of accrual of taxes.

- (e) Dividends or interest paid by certain savings institutions on certain deposits or withdrawable accounts.

- (1) Deduction not allowable.
 - (2) Computation of amounts not allowed as a deduction.
 - (3) When amounts allowable.

§ 1.461-2 Contested liabilities.

- (a) General rule.
 - (1) Taxable year of deduction.
 - (2) Exception.
 - (3) Refunds includible in gross income.
 - (4) Examples.
 - (5) Liabilities described in paragraph (g) of § 1.461-4. [Reserved]
- (b) Contest of asserted liability.
 - (1) Asserted liability.
 - (2) Definition of the term "contest."
 - (3) Example.
- (c) Transfer to provide for the satisfaction of an asserted liability.
 - (1) In general.
 - (2) Examples.
 - (d) Contest exists after transfer.
 - (e) Deduction otherwise allowed.
 - (1) In general.
 - (2) Example.
 - (f) Treatment of money or property transferred to an escrowee, trustee, or court and treatment of any income attributable thereto. [Reserved]
 - (g) Effective dates.

§ 1.461-3 Prepaid interest. [Reserved]

§ 1.461-4 Economic performance.

- (a) Introduction.
 - (1) In general.
 - (2) Overview.
- (b) Exceptions to the economic performance requirement.
- (c) Definitions.
 - (1) Liability.
 - (2) Payment.
- (d) Liabilities arising out of the provision of services, property, or the use of property.
 - (1) In general.
 - (2) Services or property provided to the taxpayer.
 - (3) Use of property provided to the taxpayer.
 - (4) Services or property provided by the taxpayer.
 - (5) Liabilities that are assumed in connection with the sale of a trade or business.
 - (6) Rules relating to the provision of services or property to a taxpayer.
 - (7) Examples.
- (e) Interest.
- (f) Timing of deductions from notional principal contracts.
- (g) Certain liabilities for which payment is economic performance.
 - (1) In general.